



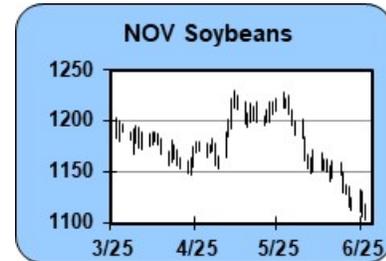
## DAILY GRAINS COMMENTARY Thursday June 27, 2024

### DAILY SOY COMPLEX COMMENTARY 6/27/2024

**6-10 day forecast above normal precip for Iowa**

**OVERNIGHT CHANGES THROUGH 6:06 AM (CT):  
SOY BEANS +0.0, BEAN OIL +0.0, SOYMEAL -0.1**

**OVERNIGHT DEVELOPMENTS:** Soybeans (NOV 24) prices overnight are up 1; Soymeal (DEC 24) down -0.80; and Soyoil (DEC 24) up 0.35. Soybean open interest as of June 26 was down 5,358 contracts, soymeal down 5,809 contracts, and soybean oil down 4,448. Chinese Dalian (SEP 24) Soybeans up 0.45%, Soymeal up 0.21%, Soyoil up 0.59%, Palm oil up 0.48%. Malaysian Palm was up 0.41%.



**NEAR-TERM MARKET FUNDAMENTALS:** With the key USDA quarterly stocks and acreage report tomorrow morning, traders will be positioning today to prepare for increased volatility. Prices have fallen for the last month, so look for some short covering today before the report. Friday morning's report is expected to show June 1 quarterly stocks at 962 million bushels, well above last year's June 1 number of 796 million bushels. Bean acreage is expected at 86.753 million acres, slightly above the 86.51 in the March intentions report and well above last season's 83.6 million. Rains are moving across Nebraska this morning and the forecast remains consistent in that the heat stays in the southern and southeast bean belt in the 6 to 10 day timeframe and precipitation will be above normal for Iowa and southern Minnesota. 8 to 14 day maps show the heat moving a little further north into the southern and eastern corn belt. The bottom line is there is no hot/dry Ridge for the Midwest over the next 2 weeks. Weekly export sales this morning are expected in a range of 300,000 - 600,000 tonnes on beans, 150,000 - 250,000 tonnes for meal and 0 to 16,000 tonnes per bean oil. There were rumors yesterday that 2 - 4 cargoes of South American meal may have been purchased for import into the southeast US, which would not be a surprise and isn't uncommon for this time of year. It gets media attention, but volumes are rarely enough to make any significant difference in the grand scheme. Soybean meal trading volume Tuesday was the largest in 5 years. The US farmer appears to be well capitalized and is in no hurry to sell stored beans on a lower board, which has strengthened cash basis. Stats Canada will be out later this morning and the average estimate for bean acreage is 5.743 million, up from 5.582 in March. November beans have made lower daily lows for 7 straight sessions, but the market may be ready for a turnaround and a short covering rally before tomorrow morning's USDA report. Nearby support remains at 1102 in resistance 1133.

#### **TODAY'S MARKET IDEAS:**

Technical indicators continue to flatline in oversold territory and November prices have continued to slip lower over the last 7 trading sessions. Tomorrow morning's USDA quarterly stocks and acreage report may encourage at least a minor upside correction today but the overall trend is clearly down. US Midwest weather looks favorable for crop development, despite some areas being too wet. Look for support on November futures at 1102 and nearby resistance 1133.

#### **NEW RECOMMENDATIONS:**

None.

#### **PREVIOUS RECOMMENDATIONS:**

None

## SOYBEAN COMPLEX TECHNICAL OUTLOOK:

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**SOYBEANS (AUG) 06/27/2024:** A bearish signal was triggered on a crossover down in the daily stochastics. Daily stochastics are trending lower but have declined into oversold territory. The close below the 9-day moving average is a negative short-term indicator for trend. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside objective is now at 1128. The next area of resistance is around 1151 and 1163 1/4, while 1st support hits today at 1133 1/2 and below there at 1128.

**SOYBEAN OIL (DEC) 06/27/2024:** A bullish signal was given with an upside crossover of the daily stochastics. The stochastics indicators are rising from oversold levels, which is bullish and should support higher prices. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The market setup is supportive for early gains with the close over the 1st swing resistance. The next upside target is 44.63. The next area of resistance is around 44.21 and 44.63, while 1st support hits today at 43.09 and below there at 42.38.

**SOYMEAL (DEC) 06/27/2024:** Daily stochastics are showing positive momentum from oversold levels, which should reinforce a move higher if near term resistance is taken out. A negative signal for trend short-term was given on a close under the 9-bar moving average. The market tilt is slightly negative with the close under the pivot. The next upside target is 348.0. The next area of resistance is around 342.4 and 348.0, while 1st support hits today at 334.4 and below there at 332.0.

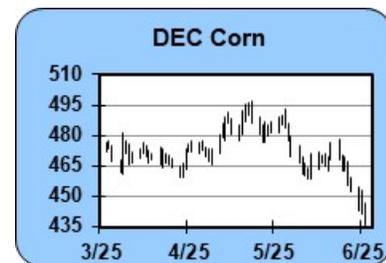
## DAILY CORN COMMENTARY

6/27/2024

**8 of the last 9 trading sessions have closed lower**

**OVERNIGHT CHANGES THROUGH 6:06 AM (CT):**  
**CORN -0.2**

**OVERNIGHT DEVELOPMENTS:** Corn (DEC 24) prices overnight are down -1 1/2. Corn open interest as of June 26 was down 1,450 contracts. Chinese Dalian (SEP 24) Corn was up 0.08%.



**NEAR-TERM MARKET FUNDAMENTALS:** December corn is starting the day slightly lower and 8 of the last 9 trading sessions prices have closed weaker as longs liquidate and managed money presses their short positions. Tomorrow morning's quarterly stocks and acreage report is expected to show June 1 stocks at 4.873 billion bushels, above last year's June 1 number of 4.103. Corn acreage is expected to be 90.353 million acres, slightly above the 90.036 March intentions number and well below last season's 94.641 million. US Midwest forecast shows continued rain chances for the north central and Northwest corn belt with lighter amounts in the eastern belt and southern Plains. Heat will stay in the southern corn belt until the 8 to 14 day timeframe when it moves north into the Eastern corn belt. Scattered showers in most areas of the Midwest over the next 2 weeks will keep crop stress from becoming a major issue. Ethanol profit margins have significantly improved on the lower board and daily ethanol production came in 1.043 million barrels, compared to estimates of 1.065. Ethanol stocks hit the highest level of the year but were slightly below the pre-report guesses. SovEcon updated expected Ukraine exports for 2024/25 to 22 million tonnes, down 23% year-over-year. Production was estimated at 27.6, down from 31 million tonnes last year and carryover is anticipated to drop to 1.5 million tonnes from 4.2 million last year due to lower planted area and lower expected yields. Showers this coming weekend are expected to aid the dry areas of northern China, however, Black Sea weather turns stressful next week as pollination is 2-3 weeks away. Weekly export sales for this morning are estimated in a range of 400,000-1,100,000 tonnes. A short covering bounce is expected before tomorrow's USDA report, but bear pressure has been unrelenting last week and this week as weather issues have

been limited. December support is 427 and with the current forecast, it may take bullish numbers from USDA tomorrow morning to spark a rally.

Ethanol average daily production for the week ending June 21 averaged 1.043 million barrels. This was down 1.3% from last week and down 0.9% from last year. The 5-year average for this week is 1.023 million barrels per day. Ethanol production for the week was 7.301 million barrels. Ethanol stocks were 23.423 million barrels. This was a new high stocks level for this week of the year. The previous high was 22.979 million barrels in 2023. This was down 0.8% from last week and up 1.9% from last year. The 5-year average stocks for this week is 21.889 million barrels. The amount of corn used for the week is estimated at 103.53 million bushels. Cumulative corn use for the crop year has reached 4.317 billion bushels. Corn use needs to average 111.67 million bushels per week to meet the USDA's marketing year forecast of 5.450 billion bushels.

#### **TODAY'S MARKET IDEAS:**

The lack of a significant weather threat across the Midwest has given the bear camp as reason to be comfortable with their short positions ahead of tomorrow's USDA quarterly stocks and acreage report. Technical indicators are into oversold territory and a bullish report tomorrow from USDA could set up a upside correction of the near \$0.50 decline over the last 2 weeks. However, the trend is down and rallies are likely to be sold until the weather outlook changes. Look for resistance on December futures at 458 with support at 427.

#### **NEW RECOMMENDATIONS:**

None.

#### **PREVIOUS RECOMMENDATIONS:**

None.

#### **CORN TECHNICAL OUTLOOK:**

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CORN (SEP) 06/27/2024: Momentum studies are still bearish but are now at oversold levels and will tend to support reversal action if it occurs. The market's short-term trend is negative as the close remains below the 9-day moving average. The swing indicator gave a moderately negative reading with the close below the 1st support number. The next downside objective is now at 416 1/4. The market is approaching oversold levels on an RSI reading under 30. The next area of resistance is around 431 1/4 and 439 1/2, while 1st support hits today at 419 3/4 and below there at 416 1/4.

CORN (DEC) 06/27/2024: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The close below the 9-day moving average is a negative short-term indicator for trend. The close below the 1st swing support could weigh on the market. The next downside target is now at 427 1/2. Some caution in pressing the downside is warranted with the RSI under 30. The next area of resistance is around 442 1/4 and 450 1/4, while 1st support hits today at 430 3/4 and below there at 427 1/2.

#### **DAILY WHEAT COMMENTARY**

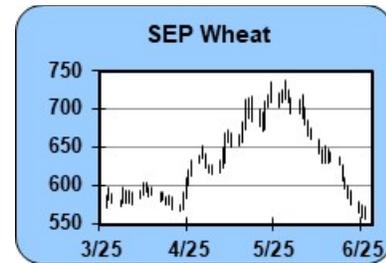
**6/27/2024**

## Recent extreme break near end

### OVERNIGHT CHANGES THROUGH 6:06 AM (CT):

WHEAT +0.13

**OVERNIGHT DEVELOPMENTS:** Chicago wheat (SEP 24) prices overnight are up 2 3/4; Kansas City (SEP 24) down -2 3/4; and Minneapolis (SEP 24) up 1 1/2. MATIF Milling Wheat(SEP 24) was up 0.4%. Chicago wheat open interest as of June 26 was up 4,503 contracts and Minneapolis wheat was up 4,647 contracts.



**NEAR-TERM MARKET FUNDAMENTALS:** The recent extreme streak of lower closes ended yesterday with December Chicago's downside momentum stalling and prices seeing a slightly higher close. The market may be ready for a short covering bounce having not seen any correction to the upside during the selloff over the last month. They were rumors yesterday Brazil was interested in US HRW and Saudi Arabia tendered for 595,000 tonnes of wheat overnight. Tomorrow morning's June quarterly stocks and acreage is expected to show June 1 stocks for wheat at 684 million bushels, up from 570 million in the June report a year ago. All wheat acreage is expected at 47.657 million acres slightly above the March intentions of 47.498 and down from last year's acreage of 49.575. Stats Canada will be out later this morning and estimates for all wheat acres are 26.943, compared to 27.0 in March. Weekly export sales morning are expected in a range of 200,000 - 600,000 tonnes. Egypt's tender Tuesday received 36 offers, an indication there is no shortage of exportable wheat at this time. US harvest in the southern Plains is speeding ahead and is likely near halfway done. The extreme break over the last month may be near running its course and we advise traders to be on the lookout for a bullish technical signal since technical indicators are the most oversold in years.

### TODAY'S MARKET IDEAS:

Heavy bearish sentiment has pushed prices lower over the last month, however, Black Sea weather stress will be on the rise next week and US harvest will be passing the halfway mark, which should relieve some of the bearish pressure. In addition, rumors of Brazilian interest in US HRW is a sign prices may have fallen far enough. December Chicago support held at 579 yesterday in resistance is 599.

### NEW RECOMMENDATIONS:

None.

### PREVIOUS RECOMMENDATIONS:

None.

### WHEAT TECHNICAL OUTLOOK:

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WHEAT (SEP) 06/27/2024: Daily stochastics declining into oversold territory suggest the selling may be drying up soon. The market's close below the 9-day moving average is an indication the short-term trend remains negative. The market tilt is slightly negative with the close under the pivot. The next downside objective is 547. Selling may soon dry up since the RSI is under 20 indicating the market is extremely oversold. The next area of resistance is around 568 1/4 and 578 1/4, while 1st support hits today at 552 3/4 and below there at 547.

KC WHEAT (SEP) 06/27/2024: A bullish signal was given with an upside crossover of the daily stochastics. Rising from oversold levels, daily momentum studies would support higher prices, especially on a close above resistance. A negative signal for trend short-term was given on a close under the 9-bar moving average. The upside closing price reversal on the daily chart is somewhat bullish. It is a slightly negative indicator that the close was under the swing pivot. The near-term upside target is at 601 1/2. With a reading under 20, the 9-day RSI indicates the market is extremely oversold. The next area of resistance is around 590 1/2 and 601 1/2, while 1st support hits today at 573 1/2 and below there at 567 1/4.

MINN WHEAT (SEP) 06/27/2024: Daily stochastics are trending lower but have declined into oversold territory. The market's short-term trend is negative as the close remains below the 9-day moving average. It is a slightly negative indicator that the close was lower than the pivot swing number. The next downside target is now at 593 3/4. Selling may soon dry up since the RSI is under 20 indicating the market is extremely oversold. The next area of resistance is around 610 1/4 and 618 3/4, while 1st support hits today at 597 3/4 and below there at 593 3/4.

RICE (SEP) 06/27/2024: Momentum studies trending lower at mid-range should accelerate a move lower if support levels are taken out. The market's short-term trend is negative as the close remains below the 9-day moving average. The market tilt is slightly negative with the close under the pivot. The next downside target is now at 15.283. The next area of resistance is around 15.594 and 15.742, while 1st support hits today at 15.365 and below there at 15.283.

## DAILY TECHNICAL STATISTICS

	CLOSE	9 DAY RSI	14 DAY RSI	14 DAY SLOW STOCH D	14 DAY SLOW STOCH K	4 DAY M AVG	9 DAY M AVG	18 DAY M AVG	45 DAY M AVG	60 DAY M AVG
<b>GRAIN COMPLEX</b>										
CNAU24	425 1/2	24.06	29.92	18.21	10.81	434.31	445.36	449.15	460.40	458.73
CNAZ24	436 1/2	22.50	28.36	16.96	9.78	446.13	457.58	461.56	473.38	472.28
SSAQ24	1142 1/4	36.42	38.02	11.70	11.36	1148.81	1153.72	1167.38	1195.23	1190.99
SSAX24	1107	27.45	30.61	10.14	9.64	1117.25	1128.67	1144.17	1176.74	1175.41
SMAZ24	338.4	31.53	34.90	15.52	15.55	342.40	345.61	350.48	360.10	355.66
BOAZ24	43.65	42.29	42.64	22.10	24.89	43.67	43.95	44.21	44.96	45.56
WHAU24	560 1/2	13.78	22.64	3.39	2.78	566.94	591.89	627.42	654.30	637.31
WHAZ24	583	12.17	21.12	2.94	2.51	589.94	614.97	651.83	678.27	661.25
RCAU24	15.480	45.73	48.83	58.50	50.99	15.52	15.59	15.55	15.46	15.29
KWAU24	582	17.85	26.16	4.73	4.90	585.13	605.31	645.57	669.07	649.52
MWAU24	604	9.29	17.27	2.00	1.40	609.38	632.64	673.03	706.31	694.73
OTAZ24	312 1/2	19.51	25.79	9.40	9.98	313.44	325.31	346.58	362.27	357.92

Calculations based on previous session. Data collected 06/26/2024

Data sources can & do produce bad ticks. Verify before use.

## DAILY SWING STATISTICS

Contract		Support 2	Support 1	Pivot	Resist 1	Resist 2
<b>GRAIN COMPLEX</b>						
CNAU24	Corn	416	419 1/2	427 3/4	431 1/2	439 1/2
CNAZ24	Corn	427 1/2	430 3/4	439	442 1/4	450 1/2
SSAQ24	Soybeans	1127 3/4	1133 1/2	1145 1/2	1151	1163 1/4
SSAX24	Soybeans	1092 1/2	1098 3/4	1109	1115 1/4	1125 1/2
SMAZ24	Soymeal	332.0	334.4	340.0	342.4	348.0
BOAZ24	Soybean Oil	42.37	43.08	43.50	44.21	44.63
WHAU24	Wheat	546 3/4	552 1/2	562 1/2	568 1/2	578 1/4
WHAZ24	Wheat	569 1/4	575	585	591	600 3/4
RCAU24	Rice	15.282	15.364	15.512	15.594	15.742
KWAU24	KC Wheat	567	573 1/2	584 1/4	590 1/2	601 1/2
MWAU24	MINN Wheat	593 3/4	597 3/4	606 1/4	610 1/4	618 3/4
OTAZ24	Oats	301	306	314	319	327

Calculations based on previous session. Data collected 06/26/2024

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